

Message Text

SECRET

PAGE 01 STATE 073644
ORIGIN INR-10

INFO OCT-01 NEA-10 ISO-00 EB-08 CIAE-00 NSAE-00 /029 R

DRAFTED BY NR/REC/CDC: E H SPRINGER
APPROVED BY INR/REC: M E C ELY
NEA/ARN: C MONROE
EB/ORF/FSE: J C TODD

-----087370 222111Z /70

R 221622Z MAR 78
FM SECSTATE WASHDC
TO AMEMBASSY DAMASCUS

S E C R E T STATE 073644

E.O. 11652: XGDS

TAGS: ENRG, EFIN, SY

SUBJECT: PRICING OF SYRIAN HEAVY CRUDE

REF: DAMASCUS 1514

1. ACCORDING TO THE NOVEMBER/DECEMBER 1977 ISSUE OF OIL INDUSTRY DEVELOPMENTS, PUBLISHED BY PETROLEUM ECONOMICS LTD., LONDON, THE PRICE OF SYRIAN SUWAIDYAH API 25 DEGREE CRUDE FOB TARTUS EFFECTIVE 1 JANUARY 1978 IS DOLS 11.635 PER BARREL WITH 30-DAY TERMS. OTHER SOURCES CONFIRM THIS FIGURE. ALSO ACCORDING TO OI, THE 1977 CONTRACT PRICE WAS DOLS 11.528 WITH 60 DAYS CREDIT AND THE SPOT PRICE WAS DOLS 11.60 WITH 30 DAYS CREDIT. (EACH 30 DAYS CREDIT IS EQUIVALENT TO 7 TO 9 CENTS PER BARREL REDUCTION IN PRICE.)

2. WE UNDERSTAND THAT SYRIAN PETROLEUM MARKETING DEPARTMENT OF PRIME MINISTER'S COUNCIL INSERTED NEW CLAUSE IN MARKETING CONTRACTS WHICH CONTAINS PROVISION FOR
SECRET

SECRET

PAGE 02 STATE 073644

ESCALATING PRICE OF SUWAIDYAH CRUDE IN PROPORTION TO OFFICIAL PRICES OF HEAVY OILS FROM KUWAIT, SAUDI ARABIA AND IRAN. BECAUSE NONE OF THESE PRICES HAVE RISEN SINCE ESCALATION CLAUSE WRITTEN LAST NOVEMBER, PRESUME PRICES HAVE REMAINED AT DOLS 11.635.

3. PETROLEUM INTELLIGENCE WEEKLY (FEB. 20) NOTES:

"SYRIA--CRUDE OIL EXPORTS FELL 17.6 PERCENT IN 1977 TO 151,100 BARRELS PER DAY (BPD), ACCORDING TO OFFICIAL OAPEC FIGURES. EXPORTS TO WESTERN EUROPE, SYRIA'S MAIN MARKET, DROPPED 21.1 PERCENT TO 127,200 BPD. BY CONTRAST, EXPORTS TO US JUMPED 49 PERCENT TO 8,200; THOSE TO EASTERN EUROPE SURGED 30.6 PERCENT TO 6,400; AND THOSE TO THE USSR WERE UP 9.4 PERCENT TO 9,300 BPD." UN-FORTUNATELY, FOR CALCULATING BOP FIGURES, SALES TO THE USSR AND EASTERN EUROPE WERE LIKELY TO INVOLVE DISCOUNT OR BARTER ARRANGEMENTS WHICH MAKE SUCH CALCULATIONS DIFFICULT.

4. RE PERCENTAGE OF SYRIAN EXPORTS; WE CONCUR THAT IF ABOVE CITED PIW FIGURE OF EXPORTS IS CORRECT, AND CIA ESTIMATE OF 1977 PRODUCTION OF 180,000 BPD IS ACCURATE, 85 PERCENT OF PRODUCTION IS EXPORTED. HOWEVER, SYRIA IS SUBSTANTIAL IMPORTER OF OIL AS WELL. ACCORDING TO BUREAU OF MINES FIGURES FOR 1975, MOST RECENT YEAR AVAILABLE, SYRIA'S CRUDE PRODUCTION WAS 180,630 BPD, CRUDE IMPORTS WERE 49,271 BPD AND CRUDE EXPORTS WERE 181,200 BPD. PRODUCT IMPORTS WERE 6,953 BPD, PRODUCE EXPORTS 4,323 BPD AND CONSUMPTION WAS 51,047 BPD. VANCE

SECRET

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM PRODUCTS, PRICES
Control Number: n/a
Copy: SINGLE
Draft Date: 22 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE073644
Document Source: CORE
Document Unique ID: 00
Drafter: E H SPRINGER
Enclosure: DC X2 PER TELCON E H SPRINGER 04/16/78
Executive Order: X2
Errors: N/A
Expiration:
Film Number: D780126-1010
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780334/aaaabdac.tel
Line Count: 84
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: b7451fbf-c288-dd11-92da-001cc4696bcc
Office: ORIGIN INR
Original Classification: SECRET
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: SECRET
Previous Handling Restrictions: n/a
Reference: 78 DAMASCUS 1514
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 07 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3231786
Secure: OPEN
Status: NATIVE
Subject: PRICING OF SYRIAN HEAVY CRUDE
TAGS: ENRG, EFIN, SY
To: DAMASCUS
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/b7451fbf-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014